Package for textile processing units

883. SHRIMATI JAMANADEVI BARUPAL: Will the Minister of TEXTILES be pleased to state:

(a) whether a new package for textile processing units is being considered;

(b) if so, whether this sector's performance has been dismal and needs to be strengthened;

(c) if so, whether Government are also promoting processing textile parks in the country; and

(d) if so, what are the other steps Government propose to take to make textile sector improve its position?

THE MINISTER OF TEXTILES (SHRI SHANKARSINGH VAGHELA): (a) and (b) No, Sir.

(c) The Ministry of Textiles is promoting Apparel Parks ajid Powerloom Weaving Parks. Entrepreneurs can set up processing plants in these parks.

(d) Taking note of challenges posed by changing global economic environment, the Government has taken various initiatives to strengthen and improve the Indian textile industry. Some of the important initiatives are given in the enclosed Statement.

Statement

Initiatives taken'by the Government to strengthen the Indian textile industry in the changing global economic environment

(i) In this year's budget entire textile sector, except for man-made fibre and filament yarn has been given historic option of complete exemption from excise duty. Additional Excise Duty (Goods of Special Importance) and Additional Duty of Excise on Textiles and Textile Ariticles has been abolished. It has been estimated by experts that in next couple of years it will lead to around 60,000 crores of investment in the textile sector and will create around one million new jobs;

(ii) Launching of the Technology Upgradation Fund Scheme (TUFS) to facilitate the modernisation and upgradation of the sector;

(iii) For accelerating modernization of the powerlooms segment of the textile industry, 20% capital assistance is available on investment in

TUFS compatible specified machinery subject to a ceiling of Rs. 12 lakh on amount of assistance;

(iv) Announcement of a package for restructuring of debt portfolios of potentially viable textile units having debt exposure of Rs. 2 crore and above;

(v) De-reservation of the woven segment of readymade garment from the SSI sector. The SSI investment limit for knitted/hosiery segment increased from Rs. 1 crore to Rs 5 crore;

(vi) With a view to making textile production competitive, the custom duty on various capital goods brought down from 25% to 5%;

(vii) A Centrally sponsored scheme titled "Apparel Park for Export Scheme" launched for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports;

(viii) For upgrading infrastructure facilities at important textile centres, a scheme Textile Centre Infrastructure Development Scheme" (TCIDS) has also beenjaunched;

(ix) Cotton Technology Mission launched to improve the productivity and quality of cotton;

(x) Imposition of a combination of *ad-valorem* and specific duty on "whichever is higher basis" on import of a number of textile items to safeguard the interest of domestic industry;

(xi) The facility of accelerated depreciation at the rate of 50% extended to weaving, processing and garment machinery, which are covered under TUFS. Cost of machinery has also been reduced through reduction in customs duty and abolition of excise duty on certain specified machinery items;

(xii) For boosting exports of textile and clothing Government provides financial assistance to Textile Export Promotion Councils under Marketing Development Assistance (MDA) Scheme;

(xiii) Close monitoring of imports on regular basis so as to ensure that imports do not cause any serious detriment or injury to the domestic industry. In case any unfair trade practices come to the notice, action, if necessary, under WTO provisions are taken;

(xiv) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing;

(xv) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries;

(xvi) 100% Foreign Direct Investment permitted through automatic route in the textile sector with certain exceptions, and

(xvii) Refund of taxes and duties on exports through drawback route.

Implementation of the recommendations of N.K. Singh and Sathyam Committees

†884. SHRI RAVI SHANKAR PRASAD: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that N.K. Singh Committee and Sathyam Committee were constituted for obtaining suggestions for the development and expansion of the textile industry during the last few years;

(b) if so, whether the Government have received the Reports of both the Committees;

(c) if so, the main suggestions of both the Committees separately; and

(d) the suggestions which have been identified by the Government for implementation?

THE MINISTER OF TEXTILES (SHRI SHANKARSINH VAGHELA): (a) and (b) Yes, Sir.

(c) and (d) N.K. Singh Report: The main recommendations of Steering Group on Investment and Growth headed by Shri N.K. Singh are as under:

i. Continuation of excise exemptions to the genuinely disadvantaged sectors.

ii. SSI Excise Exemption Scheme/CENVAT exemption be given to:

(a) Fabrics woven on handlooms and processing of handloom fabrics by totally hand processing units be exempted from CENVAT.

† Origmal notice of the question was received in Hindi.